GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1945
ANSWERED ON:13.03.2008
BAN ON SPONGE IRON PLANTS IN ORISSA
Gandhi Smt. Maneka

Will the Minister of STEEL be pleased to state:

(a) whether the Government is aware that with the large increase in demand of steel in the world, there has been a huge increase in the sponge iron industry in the country;

(b) if so, the details thereof;

(c) whether a large number of these industries are operating without the mandatory pollution control equipment and even when the equipment is installed, it is not being used to save on electricity;

(d) if so, the reasons therefor;

(e) whether the various States like Orissa have banned new sponge iron plants but the old ones keep expanding their capacity;

(f) if so, the details thereof and reasons therefor; and (g) the steps being taken by the Government to check such industries which are polluting entire villages such as Kendrikala in district Sundergarh?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL(DR. AKHILESH DAS)

(a) Steel demand in the country is on the rise due to general economic growth particularly with faster growth in infrastructure sector. The steel consumption during April - January 2007 - 08 (provisional) has increased by 12.6%, as compared to the corresponding period of 2006-07. Sponge iron is an intermediate product of steel, called Direct Reduced Iron (DRI), which is ultimately converted to steel after melting it Electric Arc Furnace or Induction Furnace. Therefore, alongwith the growth of steel production, there is also a corresponding increase in sponge iron production.

(b) The production of sponge iron during the 5 years period from 2002-03 to 2006-07 is produced below: -

(In `000 tonnes)

Year	2002-03	2003-04	2004-05	2005-06	2006-07
Production	7858	9877	12357	14825	18345

(Source: Joint Plant Committee)

(c)&(d) The pollution control mechanism is monitored by the Central / State Pollution Control Boards and the Union Ministry of Environment and Forests as per the power conferred under the Environment (Protection) Act, 1986 and rules made thereof, and are enforceable. Since it is part of monitoring and activities of concerned Governments, Ministry of Steel is not aware of any such lapse.

(e)&(f): Sponge iron or Direct Reduced Iron is one of the steel making technologies and as such there is no inherent defect in the technology regarding control of pollution. So there is no need for any ban on iron and steel units adopting the DRI technology for iron and steel production.

(g) This is part of effective regulation and enforcement mechanism by the concerned State Government, which also applies equally to all other industrial units. As explained, there is no need to put a cheek on the production of sponge iron, but to ensure monitoring and implementation of pollution control measures in all such industries including the sponge iron units. However, the concern of Honb`le Member is being conveyed to the Government of Orissa.